

## Congressman Bright Votes to Repeal Antitrust Exemption for the Health Insurance Industry

WASHINGTON, DC — Congressman Bobby Bright voted in favor of repealing antitrust exemptions for the health care industry. The Health Insurance Industry Fair Competition Act, H.R. 4626, repeals certain sections of the McCarran-Ferguson Act, which protects health insurance companies from the same antitrust laws that govern all other industries (with the exception of Major League Baseball). Repealing the 65-year old law will make the health insurance industry more competitive, and remove protections that had previously shielded them from investigations into price fixing, dividing up territories among themselves, attempts to gain monopolies, and other similar anti-competitive actions. The bill does not change existing laws allowing individual states to govern and regulate health insurance companies, and does not affect other areas of insurance, such as property-casualty, auto, and life. The Health Insurance Industry Fair Competition Act passed 404 — 18, with strong bipartisan support. It now heads to the Senate for consideration.

“This is a commonsense change in law that removes health care industry protections that are, by definition, anticompetitive,” Bright said. “When the debate on health care reform began early last summer, I made it clear that I wanted a free-market approach to health care reform that makes incremental- but effective- changes to the laws governing our health care system. I can think of no better way to ensure the free market works than subjecting the health insurance industry to the same protections that create fairness and competition in all other industries. This is a small, but necessary, step to help rein in the cost of health insurance for citizens across the country.”

Repealing antitrust exemptions is important for several reasons. For instance, state insurance commissioners have not brought action against insurance companies for anticompetitive behavior in over five years, and many lack the resources to investigate such abuses. H.R. 4626 will allow the

Justice Department to investigate such actions. Inaction on anticompetitive behavior is even more troubling considering the health insurance has become increasingly concentrated. Over 400 health insurance company mergers have occurred over the last 14 years and as a result, 94% of metropolitan health insurance markets are now considered "highly concentrated" in terms of antitrust standards.

Evidence has shown that repealing such exemptions has a positive effect. For instance, California removed antitrust exemptions on auto insurance in 1988. Since then, auto premiums have only risen 9.8% whereas the rest of the country has seen premiums rise by an average of 48%. Additionally, two separate bipartisan commissions, including one established during the Bush Administration, recommended repealing McCarran-Ferguson. In fact, the Bush Administration commission stated that the antitrust exemption has "outlived any utility it may have had and should be repealed."

"Make no mistake about it- I do not support the current health care reform bills proposed by House and Senate leadership and the White House," Bright said. "They go too far and are too drastic. However, the Health Insurance Industry Fair Competition Act is a strong and sensible proposal that is long overdue. If we can continue to take small and targeted steps that garner bipartisan support, then we can have health care reform that the American people trust and support. Until today, these crucial elements have unfortunately been lacking. Let's hope the passage of H.R. 4626 marks a new day in Washington."